

**GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT**

Industrial Promotion – Extension of certain incentives under Industrial Investment Promotion Policy (IIPP) 2010-15 to M/s Krishak Bharati Cooperative Limited (KRIBHCO) for their proposed DAP/Complex Fertilizer plant of capacity 4000 MTPD at Survepally (V), Near Krishnapatnam Port, SPSR Nellore District – Orders- Issued.

-----

**INDUSTRIES & COMMERCE (IP) DEPARTMENT**

**G.O.Ms.No. 50**

**Dated:04-06-2013**

**Read the following:**

1. From the Marketing Director, M/s. Krishak Bharati Cooperative Limited Letter No. CMO/NP/MKTG/CORESP/2012, dated. 20.04.2012.
2. The State Investment Promotion Committee Meeting held on 16.06.2012.
3. The State Investment Promotion Board Meeting held on 27.06.2012.

>><<

**O R D E R:-**

In the reference 1st read above, the Marketing Director, M/s. Krishak Bharati Cooperative Limited (KRIBHCO) which is a Multi- State Cooperative Society, informed that they proposed to setup a DAP/Complex Fertilizer plant of capacity 4000 MTPD at Survepally (V), Near Krishnapatnam Port, SPSR Nellore District with an investment of Rs.1800 Crores. The unit will create employment for 2000 people directly.

2. The Marketing Director, M/s. Krishak Bharati Cooperative Limited (KRIBHCO) has requested the Government for the following incentives:

- (a) Allocation of 125 + 170 (295) Acres of land at Survey No. 2508 at Sarvepally near Krishnapatnam Port, at concessional rate.
- (b) Total Waiver of Land Conversion fee and also exemption from ceiling under APLR (COAH) Act 1973 and permission for putting land to industrial use.
- (c) Total Waiver of Stamp Duty for registration of land for the plant and other facilities.
- (d) Allocation of 0.50 MGD water for both phases.
- (e) Reimbursement / Waiver of VAT / GST for 10 Years.
- (f) Provision for proper approach roads for easy movement of material and Rail Connectivity to the site from nearest point.
- (g) Recommendation to Govt of India for Waving/concessional rate IT, Central Excise and Service Tax for a Period of 15 years.
- (h) Allotment of 7.5 MW of Power for each phase at concessional tariff.
- (i) Extending power supply at a concessional rate for construction activities.
- (j) All other incentives as per the IIPP 2010-15 Policy.
- (k) Right of way for pipelines for bringing raw material from the port.
- (l) Assistance in providing Environmental Clearance & various statutory Clearances.

3. In the reference 2nd read above, State Investment Promotion Committee (SIPC) have discussed the above and decided to place the matter before the State Investment Promotion Board (SIPB) with the following recommendations of the SIPC:

- (a) With regard to land, APIIC has been advised to process the Alienation proposals to Government if land is available, other-wise to advise the company to go for private land.
- (b) 50% VAT & CST reimbursement for a period of 5 years from the date of commencement of commercial production (DCP).
- (c) All other incentives as per IIPP 2010-15 policy.

4. In the reference 3rd read above, State Investment Promotion Board has discussed the proposal in detail and decided to extend the following incentives to the namely:-

- (a) 50% VAT & CST reimbursement for a period of 5 years from the date of commencement of commercial production (DCP).
- (b) All other incentives as per IIPP 2010-15 policy.
- (c) With regard to Land, the Board advised Revenue/APIIC to expedite the process of alienation in order to support the Company, as being Multi State Cooperative Society.

5. Government after careful examination of the proposal and in view of the recommendations of the State Investment Promotion Board, hereby extend the following incentives to M/s. Krishak Bharati Cooperative Limited for their proposed DAP/Complex Fertilizer plant of capacity 4000 MTPD at Survepally (V), Near Krishnapatnam Port, SPSR Nellore District with an investment of Rs.1800 crores, as decided by the State Investment Promotion Board under Industrial Investment Promotion Policy 2010-2015, namely:-

- (1) 50% VAT & CST reimbursement for a period of 5 years from date of commencement of commercial production (DCP).
- (2) All other incentives as per IIPP 2010-15 policy, which include:
  - (a) 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use.
  - (b) 100% reimbursement of Stamp duty for lease of Land/Shed/Buildings and also mortgages and hypothecations.
  - (c) Fixed power cost reimbursement @ Rs.0.75 per unit (upper ceiling) on the proposed revised rates (2010-11) for 5 years from the date of commencement of commercial production. In case, decrease in Power Tariff, the reimbursement will be reduced proportionately.
  - (d) Infrastructure like roads, power and water will be provided at door step of the industry for standalone units by contributing 50% of the cost of infrastructure from IIDF with a ceiling of Rs.1.00 Crore, subject to (a) the location should be beyond 10 kms from the existing Industrial Estates/IDA's having vacant land/shed for allotment and (b) cost of the infrastructure limited to 15% of the eligible fixed capital investment made in the industry.
  - (e) 25% subsidy on specific cleaner production measures limited to Rs.5.00 Lakhs.
- (3) Revenue Department and APIIC are requested to expedite the process of alienation in order to enable the Company, as being Multi State Cooperative Society to ground the unit at the earliest.

**(P.T.O)**

6. The Industry shall provide at least 80% of employment to the candidates belonging to Andhra Pradesh State for becoming eligible to the above incentives.

7. The Commissioner of Industries, Hyderabad and Vice Chairman & Managing Director, APIIC shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to Government.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**K. PRADEEP CHANDRA,  
PRINCIPAL SECRETARY TO GOVERNMENT AND  
COMMISSIONER FOR INDUSTRIAL PROMOTION**

To

The Commissioner of Industries, A.P., Hyderabad.

M/s. Krishak Bharati Cooperative Limited through the Commissioner of Industries, AP, Hyderabad.

The Vice Chairman & Managing Director, APIIC, Hyderabad.

Copy to

The Revenue (CT) Department.

The Revenue (Registration) Department.

The Energy Department.

The Law (J) Department

The Irrigation (Reforms) Dept.

The Ind. & Com. (IP) Department.

The Accountant General, Andhra Pradesh, Hyderabad

The Commissioner of Commercial Taxes, Hyderabad

The Chairman & Managing Director, APTRANSCO., Hyderabad

The Managing Director, APSPDC Ltd., Tirupathi

The District Collector, SPSR Nellore District.

The General Manager, District Industries Centre, Nellore

P.S. to Principal Secretary to Chief Minister

P.S. to Hon'ble Minister(Major Industries)

P.S. to Chief Secretary to Government

P.S. to Principal Secretary to Government & CIP, Industries & Commerce Dept.

SC/SF

// FORWARDED:: BY ORDER//

SECTION OFFICER.